Bank is taking steps to ensure that the market borrowing programme moves in phase with Budget Estimate projections.

The Government is aware of the adverse effects on monetising the budget deficit and it is expected that the excess of ad hocs over the within-the-year ceiling will be eliminated as soon as possible.

Impact of interim relief on price rise

974. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether the Pay Panel, while fixing the interim relief at 10% of pay for all Central Government Employees, according to their report, also wanted the Government to study the impact of it on price level;

(b) if so, the reaction of the Government; and

(c) steps taken by Government to set up a study group in this regard?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): (a) No, Sir.

(b) and (c) In view of reply to (a) above, the question of any reaction or steps to be taken by the Government in this regard will not arise.

Changes in economic laws

975. PROF. VIJAY KUMAR MALHOTRA: Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government have been drawn to the news item captioned "World Bank bid to enhance effectiveness of Indian reforms; changes in economic laws mooted" appearing in the Indian Express dated 18th June, 1995;

(b) if so, the facts thereof;

(c) the reaction of the Government thereto;

(d) whether there is also any proposal to simplify the IT Act; and

(e) if so, the details thereof and by when it is proposed to be simplified?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): (a) and (b) A news item captioned "World Bank bid to enhance effectiveness of Indian reforms; changes in economic laws mooted" was published in Indian Express dated 18th June, 1995. As per the news item the World Bank has admitted that India's legal system is adequate to facilitate the objectives of the ongoing economic reforms programme but stressed the need for reduction in involvement of Government and its agencies in litigation. The World Bank has emphasised the need for a comprehensive plan to strengthen the process of commercial arbitration; establishment of an efficient system of labour dispute settlement; rationalisation of stamp duty as well as State tax laws to facilitate commercial transactions; establishment of an effective system of land titling and creating an autonomous regulatory authorities in the power sector at the Centre and the States.

(c) The Government always takes into consideration the views expressed by individuals or organisations while formulating appropriate economic laws and policies.

(d) and (e) The Government have already taken several measures to rationalise and simplify the tax laws which include reduction in tax rates; presumptive scheme of taxation for small businessmen; simplified method of computation of income on estimate basis in the case of small contractors and transporters; streamlining the concessions available under the Income Tax Act and introduction of simplified income tax return form for persons having income less than Rs. 1,20,000.00 etc.